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SUBJECT: SCENESETTER FOR CODEL LUGAR'S VISIT TO ALBANIA

¶1. (SBU) SUMMARY: Mr. Chairman, the Albanian Chemical Weapons Elimination Program (ACWEP) is proceeding apace. Although delays in testing the destruction equipment in Germany mean that destruction will not have begun by the time of your visit, the program is nevertheless on track to complete destruction in time to meet the April 2007 deadline imposed by the Chemical Weapons Convention (CWC). You will see a facility with substantially upgraded security as well as destruction equipment in place.

¶2. (SBU) Politically, your visit could not come at a better time. Euro-Atlantic integration is a goal shared by virtually the entire political spectrum and enjoying broad support from the public. However, the deterioration of the political atmosphere in the past several months has virtually precluded work on the tough reforms and the institution-building that are crucial to Albania's Euro-Atlantic aspirations. Your visit is an outstanding opportunity to send the message -- to both the government and the opposition -- that this difficult job will require them to reach across the aisle and work together, as you did in creating the Nunn-Lugar program that made possible the destruction of Albania's CW stockpile. Visits at your level are exceedingly rare (we will have had only two official Congressional Delegations, and none composed of Senators, since your visit here in 2004), and we hope you will use this chance to tell Albania that, while the U.S. supports its aspirations and wants it to succeed, ultimately it is up to Albania itself to achieve the necessary progress. END SUMMARY.

CW ELIMINATION PROGRAM

¶3. (SBU) Through the Nunn-Lugar Cooperative Threat Reduction (CTR) program, the U.S. is assisting Albania with the destruction of approximately 16 metric tons of blister agent, the existence of which was first disclosed in June 2002. In December 2004, the U.S. Department of Defense and the Albanian Ministry of Defense (MOD) concluded an Implementing Agreement for the safe, secure, and environmentally sound destruction of the stockpile in compliance with Albania's obligations under the Chemical Weapons Convention. Authorized funding is currently at \$34.4 million, and the project is managed by DOD and implemented by the Defense Threat Reduction Agency (DTRA). In 2005, the contract for the destruction was awarded to Washington Group International; Eisenmann AG of Germany is providing the destruction technology. Raytheon Technical Services Company improved the road leading to the site and constructed the concrete pad on which the destruction equipment has been placed.

14. (SBU) Due to damage sustained during testing of the destruction equipment in Germany and required modifications to the system, the start of destruction operations has been postponed from July to October 2006. Final testing should take place between mid-August and the beginning of October, but no operations will take place during the time of your visit. Despite the delay, we still expect destruction to be complete before the CWC deadline of April 29, 2007.

15. (SBU) Embassy Tirana and DTRA have worked closely with the MOD to improve security practices at the site, and the Department of State's Nonproliferation and Disarmament Fund (NDF) provided extensive physical upgrades and new security equipment. The site is now much better secured than when you visited in 2004; however, there is always room for improvement, and your visit is a good opportunity to remind the MOD that it must not let its guard down during this crucial final phase.

16. (SBU) Since the appearance of a January 2005 Washington Post article on the project, which Albanian press picked up, we have worked with the MOD to ensure an appropriate public affairs posture that takes into account the sensitivity of the project. Since then, there has been virtually no reporting on the project in the local media. While neither the existence of the stockpile itself nor of the ACWEP is a secret, we believe that extensive media coverage of the issue

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is undesirable before the completion of destruction activity.

We are therefore avoiding comment on this aspect of your visit and concentrating on your interest in Albania's progress toward Euro-Atlantic integration.

NATO INTEGRATION AND MILITARY OUTLOOK

17. (SBU) Albania was among the first countries to answer our calls for support in the GWOT, and its support has been unwavering. It has a contingent of 120 combat troops in Mosul, Iraq; and 22 Special Operation Forces in ISAF in Afghanistan. In addition, it deployed nine personnel as part of a Southeastern European Brigade (SEEBRIG) headquarters element and has three in the A-3 Joint Medical Unit. There are 71 troops in the EUFOR mission in Bosnia-Herzegovina. Overall, including troops in training and preparation for overseas deployments, Albania has about a third of its elite troops committed to the GWOT. We suggest that you express appreciation for Albania's contributions and emphasize the importance of "exporting security" to NATO membership.

18. (SBU) The desire to join NATO (and the Euro-Atlantic community in general, including the EU) is very strong in Albania, enjoying broad support across the political spectrum and among the public, although popular understanding of the obligations associated with NATO membership is limited. Albania had hoped to be invited to join NATO in 2006. Though President Moisiu expressed sharp disappointment with the "two-summit strategy," the reaction was more muted than in Croatia or Macedonia. We have stressed that the door is open, but it is Albania's achievement of necessary political and military standards that will determine the timing of accession. The Prime Minister and Defense Minister have, we think, digested this message, but others in the government and opposition to a lesser extent.

19. (SBU) Led by the energetic, politically savvy Fatmir Mediu, the MOD is committed to modernizing the Albanian Armed Forces (AAF) to make it deployable and NATO-interoperable. However, while there is no doubt about the political commitment, several constraints remain. Albania has failed to keep to its own schedule for bringing defense spending up to two percent of GDP by 2010. Real spending on defense (excluding retirement) is about \$120 million, with only about eight percent of that amount available for modernization. You should urge Albania (particularly the President and PM) to empower younger leadership who "think and understand" NATO and encourage the MOD to focus its modest resources on creating a "niche capability" that shows Albania brings

something to the table. The Rapid Reaction Brigade (RRB), which is the one highly touted unit the MOD says would be ready for NATO duty if called, still lacks sufficient equipment and personnel. The MOD is now working to equip, train, and modernize this NATO-designated unit.

¶10. (SBU) U.S. Security Assistance programs include FMF (FY06 \$3.5 million), IMET (FY06 \$900,000), Global Peacekeeping Operations Initiative (FY06 \$3.5 million), DOD Humanitarian Assistance, and a number of smaller programs. Resources are focused on deployed and deployable units in GWOT (Commandos and RRB), US/NATO/Coalition-interoperable equipment and communications, and NATO integration through U.S. defense reform advisors. The Office of Defense Cooperation (ODC) initiated a Defense Reform Assessment this year to help MOD define requirements and accelerate progress in defense reform in resource-constrained circumstances.

¶11. (SBU) In addition to the ACWEP, the Department of State has provided assistance with destruction of Albania's huge stockpile of excess conventional munitions, including small arms/light weapons (including MANPADS) through the Office of Weapons Removal and Abatement in the Bureau of Political-Military Affairs (PM/WRA), and heavy munitions through NDF. The northeastern region of Albania (bordering Kosovo) suffers from mines and unexploded ordnance left from the Kosovo conflict, though most of the mines have now been cleared. The USG has been the largest donor to mine action in Albania, having contributed over \$8 million since 2000.

POLITICAL OUTLOOK

¶12. (SBU) There have been significant changes in Albania's political leadership since your last visit. Parliamentary elections in July 2005 ended eight years of Socialist Party (SP) rule and brought former President Sali Berisha back to power as Prime Minister, leading a center-right coalition dominated by his Democratic Party (DP). Former PM Fatos Nano has (for now) exited the political stage, with the opposition led by the charismatic mayor of Tirana, Edi Rama (SP). The elections, though not fully meeting international standards, were nevertheless judged to be a step forward. Now Albania must implement a rigorous program of broad-based reforms to strengthen institutions and reduce corruption while respecting democratic norms. The lack of strong, effective institutions, a professional civil service, and respect for the rule of law impedes progress in all areas, including attracting the investment needed for economic development. Institutions crucial to Albania's democratic development, including NGOs, the media, religious organizations, and business coalitions, are still relatively immature, and it will take years of patient work to build them up to create a strong, sustainable democracy.

¶13. (SBU) The new government has made combating organized crime and corruption a top priority, a laudable goal given that these are two of the biggest impediments to Albania's Euro-Atlantic aspirations. It has made some good progress in making several high-profile arrests of organized crime figures in Albania and securing the extraditions of others abroad. However, some of its methods have also generated intense controversy, with the opposition charging the Prime Minister with seeking to usurp Albania's constitutionally independent institutions. Disagreements between the government and the opposition have become increasingly acrimonious in the last several months. Controversy centers on a highly public government-led effort to remove the independent Prosecutor General; political machinations by both government and opposition to control the Central Election Commission in the run-up to local elections; a related battle over voters' registration lists; and the selection of members of judicial and media oversight bodies. Last month, tensions that had been largely contained within democratic parameters erupted during a heated session in Parliament, during which an opposition leader rushed the speaker's podium. The session adjourned for the summer amid fisticuffs.

¶14. (SBU) The opposition, blocked by the government's stable majority in Parliament, faces limited options. Increasingly, it appears that some in the opposition are prepared to precipitate a political crisis that would lead to new elections. The result is a political environment that, contrary to focusing on the tough reforms necessary for Albania to receive an invitation to NATO in 2008, has disintegrated into partisan self-interest and virtual stagnation. You should remind both the government and the opposition that Albania's aspirations for NATO and EU integration, which are supported broadly by its citizens, must be the basis for all parties to work constructively on needed reforms and that there is not much time. Particularly as NATO takes on a role of a forum for dialogue on security issues in the Euro-Atlantic community, it is crucial that Albania demonstrate to Allies the political maturity required to sit as an equal member on the North Atlantic Council.

ECONOMIC ISSUES

¶15. (SBU) Albania has enjoyed excellent macroeconomic stability in recent years, with low inflation, solid growth, and a stable currency. The main economic challenges include an inadequate infrastructure (especially roads and energy), a relatively low level of foreign direct investment, and the lack of a competitive export sector. Albania's economy is to a large extent dependent on remittances from Albanians working abroad, especially in Greece and Italy. At about \$2.5 billion annually, imports are more than three times the level of exports. The Millennium Challenge Corporation recently approved \$14 million of Threshold Program funding to assist with urgently needed public procurement and tax administration reform and to help create a National Business Center.

REGIONAL ISSUES / KOSOVO

¶16. (SBU) Your interlocutors are likely to raise Kosovo and regional issues. Albania has been a stabilizing influence in the Balkans, particularly on Kosovo, by discouraging extremism and supporting the efforts of the international community. The new DP-led government has been somewhat more vocal in support of Kosovar independence but says that its basic policy has not changed. You should express appreciation for Albania's constructive role in the region and urge continued moderation.

¶17. (U) Mr. Chairman, it will be our honor to welcome you to Tirana.
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